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# Chapter 10:

## Concepts, Causes, and the Neglected Third Party: the Victim of Corruption

*Gjalt de Graaf, Patrick von Maravic, and Pieter Wagenaar*

### 1. Introduction

Corruption: we all have an idea about what it is, and we all have more or less experience with it. It is an object of research that inspires numerous – and diverse, as this book manifestly proves – academic endeavors. While many may have known that the concept of corruption is essentially contested and its definitions various, *The Good Cause* shows that the differences in academia travel farther and deeper than the differences in definition. Within different discourses specific ideas exist on what the research questions are, what they should be, and how knowledge on corruption can be gained. In other words, the differences are not only on the level of what the object of research is or should be; the epistemologies within *The Good Cause* differ profoundly. One example would be ‘empirical studies’. In institutional economics it translates primarily to employing a range of clever devices to generate quantitative estimates, but in criminological studies it means studying actual corruption cases – two entirely different interpretations within the same area of research. The reason for the epistemological differences has also become clear: the underlying ontologies are different. In some areas of corruption research – the Rose-Ackerman chapter for example – the ontology is not part of the (mostly positivist) research; in other areas, like the Hiller, and the De Graaf, Wagenaar, and Hoenderboom chapters, it is. In a sense, therefore, corruption research reflects social science research in general. It demonstrates how research in the social sciences and humanities differs from the beta sciences where paradigm shifts take place, but not many paradigms exist at the same time. Collier (Collier 2002) is right when he states that an interdisciplinary theory on the causes of corruption never emerged. He is also right when he claims that it is because corrupt behavior is extremely complex social behavior – but even that is only the beginning of the explanation. Corruption research attracts people whose ideas on what the social world is are so fundamentally different that a new interdisciplinary approach is not likely to emerge. It is worth noting here that the various approaches’ units of analysis also differ widely, a detail discussed later in the chapter.

Beyond the definitions, methodologies, epistemologies, and ontologies, the concept of ‘causes’ also varies profoundly. In the introduction we discussed the philosophy of causality, in which we can distinguish epistemo-

logical and ontological traditions (Schinkel 2004). Here we can say on a practical level that what some call ‘causes’ of corruption others describe as ‘contributing factors’, ‘motives’, or ‘enhancing circumstances’. And in many cases it is perhaps better to speak of studies trying to ‘understand’ corruption rather than to ‘explain’ it (compare Weber 1921). Rose-Ackerman points out that in most economical studies the consequences of corruption are difficult to distinguish from the causes; the causal arrow appears to be bi-directional. In sum (and unsurprisingly), because the differences in approaches are great, so are the differences in the book’s chapters.

Whereas different paradigms in the beta sciences lead to conflicts until one is ‘proven right’, in *The Good Cause*, we find a kind of stalemate. On one side are *universalists*, who work with a definition of corruption they assume to be the same everywhere in the world; on the other are *particularists*, who have no specific definition of corruption, expect that corruption definitions can differ widely between cultures or social groups, and find benefit in studying the differences. In the next section we discuss the differences between the approaches, and follow with sections on their similarities. We conclude by pointing at blind spots in existing corruption research and discussing the (im)possibility of finding an ultimate remedy.

## 2. Understanding and Researching Corruption

Weberian approaches use ideal-type guided research, comparative, and historical research. Causes of corruption are located in the wider context of a specific form of domination and personal rulership (cf. Rubinstein/von Maravić, this volume). An explicit understanding and legally-sanctioned definition of corruption comes into existence with the separation of private household and public office, which occurs with the rise of a bureaucratic system; the legal-rational system is dominated by an explicit rule system that sanctions the use of public power for private means. The unit of analysis is the system of governance. Corruption occurs when one system slowly makes way for another.

F.W. Riggs’s theory is Weberian in the sense that corruption is typical of a developing society, especially in his use of ideal types, but he veers off from Weber by taking a structural-functionalist approach. According to Riggs, societies consist of structures with functions. ‘Fused’ societies have very few structures, each of which fulfills many functions. ‘Diffracted’ societies are the opposite, i.e., they have many structures fulfilling few functions each. Corruption occurs in the intermediate stage of development – in the ‘prismatic’ society – from the friction between the fused and diffracted logic. Riggs then explains the peculiar logic of such prismatic societies and shows how fused practices are often hidden behind diffracted facades.

In terms of institutional economics, corruption occurs where private wealth and public power overlap; institutional frameworks determine the na-

ture and the extent of its opportunities. The units of analysis can be countries, organizations or individuals, even though economic theory is poorly equipped to explain variation across individuals who face the same structural incentives. Preferred research techniques are survey methods and experiments.

The multi-approach by definition uses a multitude of levels, analyses, and all possible research methods. Beginning with one (classic) definition of corruption – the abuse of (public) authority for private benefit – it is the most comprehensive attempt of all the approaches in this book to arrive at an interdisciplinary framework. At the country level, for example, corruption is related to political, economic, and social macro circumstances. This framework observes causes of corruption at all possible levels.

Systems theory has a very distinct approach. Corruption is seen as the linkage of different horizons of meaning in social communication. The research question stemming from it is how the linkages of meaning come about. Corruption arises when organizations (networks, groups, individuals) assigned to particular functional contexts fail to uphold the appropriate functional logic in their decisions. How is the corruption observed? By whom? – These are the possible research questions with which to start. We can think of studying the structural conditions that must be observed for a phenomenon to become the subject of a moral discourse and for corruption to be potentially labeled reprehensible.

Institutional design looks primarily at meso and macro levels. Differences between regimes represent different sets of institutions that may (or may not) be able to constrain behavior. The concept of corruption captures behavior that is beyond the pale of what is commonly accepted in industrialized democracies; behavior that undermines fairness and probity in governing makes it apparent to the public that appropriate standards of integrity are not being followed by public officials. Some doubts remain about the relevance of macro-level political structures for explaining corruption: the basic outcome of Peters' analysis in this book is that any simple understanding of institutions as structures or rule systems is incapable of shedding much light on the likelihood of good governance. According to Peters so much difference exists between the regime types that making predictions is next to impossible. The causal linkage between institutional structures and the behavior of individuals within them is so attenuated that attempting to explain corruption on an individual level is difficult.

De Graaf, Wagenaar, and Hoenderboom state that, from a constructivist perspective, any interpretation of corruption and its causes is contestable. Some overlap with the Hiller chapter is clear. Their unit of analysis is discourse, not (corrupt) agents on the individual level, and they study the effects of texts on other texts. Included in this approach are historical and genealogical studies that illustrate how discourses on corruption are always socially and historically constructed.

Criminological approaches look at corruption as deviating from legal standards. Several criminological theories exist, but most employ three elements at three levels: motivation, opportunity, and control at the individual, organizational, and environmental levels. Units of analysis are both individuals and organizations, sometimes even the state. The empirical studies in this approach turn out to be unexpectedly limited, dealing mostly with the role of organized crime in corruption. Data used for research are partly produced by law enforcement agencies and gathered directly from offenders or victims. Most corruption research in criminology is thus qualitative in the form of interviews, participant observation, and case-studies.

### 3. Corruption and Morality

One of the similarities in the different academic discourses that struck us is the agreement that corruption, both conceptually and empirically, has a clear moral connotation. Rose-Ackerman for example points out that where some institutional economists claim to be purely positive, their analyses also contain normative aspects. Hiller writes that the social observation of corruption is a matter of moral communication. All researchers, regardless of their approach, seem to agree that the phenomenon they study is part of a moral discourse. De Graaf, Wagenaar, and Hoenderboom point out that by describing discourse on corruption, moral aspects come to the fore. Hiller even goes so far as to state that the moral observation of corruption is one of the most exciting areas of corruption research.

Moral norms change over time and place, but corruption – whatever it is – is always considered reprehensible. People disagree about the norms that determine whether someone is corrupt, not about the concept's reprehensiveness. Anyone labeled 'corrupt' is judged in a morally negative way. Corruption is therefore morally loaded – like 'integrity', but with an opposite moral loading. In the De Graaf, Wagenaar, and Hoenderboom chapter attention is drawn to the consequences of being so labeled. Several Dutch civil servants convicted for corruption in a court of law admitted they did something wrong, but denied being 'corrupt'. As Hiller quotes Fleck and Kuzmicks (1985: 7): '*what* is considered morally reprehensible and *whether* certain behavior is considered in this way varies from time to time (and from place to place), but *the fact that* attributing the label is equivalent to an evaluation is as good as unaffected by social change.'

Officials can also be certain 'degrees' of corrupt. A public official illicitly receiving €5000 is 'more' corrupt than one receiving €500. And, research shows, people regard a police officer who *asks* for €20 from a driver to overlook a speeding ticket as being more corrupt than one who accepts €20 when it is offered to him. A comparison of research on public attitudes towards corruption concludes:

‘Over and over, the research found that respondents judged elected officials more severely than they judged appointed officials; judges more severely than police officers; bribery and extortion more harshly than conflict of interest, campaign contribution, and patronage; and harmful behavior more harshly than petty behavior’ (Malec 1993: 16).

The authors of *The Good Cause* differ on how to deal with morality surrounding corruption. Some start out with a corruption definition, which means presupposing a clear boundary between right and wrong; others believe such boundaries vary with cultures. De Zwart points out that in Riggs’s view, the principles and techniques of modern public administration reflect the normative structure of Western societies. Corruption is even defined as normlessness. But of course then the relevant norms become important (cf. Huberts, this volume). Transplanted to another culture, Western corruption is still morally wrong in Western eyes, but not in a different normative structure. De Zwart points to the basic problem of moral relativism: to deny it is cultural imperialism, but to accept it is to ‘tolerate barbarity and atrocity in those cultures. Damned if we do and damned if we don’t – either way the prospects are bleak’ (Aya 2004: 31). This is similar to Rose-Ackerman’s pointing out that the meaning of ‘misuse’ may indeed vary across cultures.

#### 4. Public Corruption and the Outside World

We have noted that in most approaches the relationship between public and private is important. Most speak of corruption as abuse of public power and in doing so make a public-private distinction. Collusive public-private relationships also contribute to corruption. Huisman and Vande Walle ask whether the legal definition of corruption encompasses the socially injurious relations between companies. We can ask the same about non-legal definitions.

What we see in many chapters – the one on criminology, for example – is that close relations between private and public partners contribute to certain forms of corruption. Huisman and Vande Walle: ‘In comparing lobbying and corruption *Campos and Giovanni* have suggested that legal mechanisms such as lobbying are preferred in rich countries while companies in poor countries have to rely on corruption’ (Campos/Giovanni 2006). Huisman and Vande Walle point to Shichor and Geis whose survey on transnational bribery confirmed that businessmen often escape disapproval: people think accepting a bribe is worse than offering a bribe (Shichor/Geis 2007). One explanation for this underestimation is that criminologists for a long time have shown restraint in interfering with private enterprises. The same seems to hold for most other approaches. For example, Peters points to clientelism, in which a powerful patron provides his clients favors in exchange for political support (see also Rubinstein/von Maravić, this volume). Both Rose-Ackerman and Peters wonder where ‘pork barreling’ ends and corruption begins.

At present the relations between public and private organizations in most countries are rapidly changing because of developments like New Public Management, privatization, outsourcing, hybridization, and public-private partnerships. Do the increasingly blurred boundaries between public and private sectors mean that we can expect more corruption in the future (see Doig 1995, 1997, 1998; Erlingsson et al. 2008; Kolthoff et al. 2007; von Maravić/Reichard 2003; von Maravić 2007)? And what are the consequences for corruption studies? After all, most approaches use the public-private distinction to make the corruption concept clear, instead of victims, and most look differently at corruption in public versus private organizations. Thus when the sectors get blurred, the concept changes meaning and, in turn, influences future research endeavors.

## 5. Fighting Corruption: Now What?

Different approaches come with different solutions. Weber was interested in how legitimate political and economic order is created and maintained. His work illustrates how a society effectively restrains certain forms of behavior and encourages others. The metaphor of the 'iron cage' implies that corruption occurs when the system of legal-rational dominance is not yet complete; loopholes remain for the bureaucrat's private motives. In other words, the distinction between the private-public role is not clearly delineated, offering a gateway for deviating behavior that could stem from inexplicit rules, suboptimal methods of sanctioning and supervision, an inferior system of recruitment, or an organizational ethos that has not been fully penetrated by the official structure. A Weberian approach to fighting corruption would therefore focus on the separation of the public-private domain, the formalization of rules, and a clear public office ethos. This collectivist vision (Hood 2000: 73-97; du Gay 2000: 1-13, 136-148) clashes, however, with the global *Zeitgeist* of privatizing public functions, deregulating, outsourcing, public-private partnerships, and other forms of hybrid governance.

Nor does the prismatic view in non-Western countries offer clear anti-corruption or prevention interventions. We either await normative change, or accept that administrations are corrupt. There is much skepticism – as with postmodern and system analytical accounts – about good governance programs and Western interventions promoted through institutions like the World Bank. We cannot transplant Western-designed administrative models and practices into a different normative order and expect them to function. And although De Zwart points to the work of Johnston, claiming, '[f]rom his work it follows that articulating group interests, stimulating politics, state formation, and bottom-up organizations can help the 'good government cause'', Rose-Ackerman points out that even documented damage from grand-corruption can escape the power or political will to be systematically

changed – another bleak picture. Institutional design does not come with clear, institutional or otherwise, recommendations on how to prevent corruption.

Then there are scholars who claim that deep historical factors are the determinants of corruption and that countries cannot escape their history. The important issue from a policy perspective is whether the factors contributing to corruption are exogenous or whether people react to others' behavior. As with every academic approach, institutional economics wants to address what it sees as the underlying conditions (factors, causes, incentives) that create corrupt incidents, meaning promoting incentive-based policy responses like rearranging the rewards and costs of honest and corrupt behavior. Yet,

'[c]lever technical solutions, based on economic incentives, may not be enough. If corruption is one of the pillars supporting a political system, it cannot be substantially reduced unless an alternative source of revenue replaces it. Powerful groups that lose one source of patronage will search for another vulnerable sector. Strong moral leadership is necessary but not sufficient. Tough political and policy choices need to be faced squarely' (cf. Rose-Ackerman, this volume).

Hiller concludes that differentiation theory cannot lead to recommendations on how to combat corruption. Huisman and Vande Walle emphasize the importance of leadership in ethical conduct and corruption prevention. No chapter disputes this; in fact, every approach that looks at organizational-level culture makes this point.

Post-positivist students of corruption are also careful with recommending remedies for corruption. They point to the problem of interpretations of corruption and the negative side effects of a corruption fight. What they do have to offer, however, is reflection.

Collier wrote (2002: 2): 'Additionally, my analysis demonstrates that the corruption phenomenon is so complex that it can only be addressed through grassroots changes in a state's political, economic, and cultural institutions – changes that are not only technical but also social in nature'. Indeed, no *Good Cause* author disagrees with that or suggests catching and punishing 'rotten apples'. A conclusion of this book is, however, that agreeing on 'cause' is impossible, let alone *a* or *the* cause of corruption – a problem if we want to conclude with ideas on how to fight it. The many remedies named in this book are helpful in the sense they can better the design of organizations and influence cultures in such a way that it lessens corruption. Even so, De Graaf, Wagenaar, and Hoenderboom warn us about unintended consequences.

Another problem is that the literature suggests many such devices, but which works under what circumstances at how much of a cost is unclear. When is a certain type of leadership important? How do we make sure public ethos continues to support traditional public values? Since these theories do not offer a premise on the cause(s) of corruption and are based on general research and broad correlations, they do not say much about contingency, which is so important for social research – especially corruption research be-



cause of its complexity. This is an important point made by Anechiarico and Jacobs (1996) in their comprehensive classic study in New York City. The authors documented and analyzed the manifold liabilities of a vast range of corruption control projects. They showed how corruption control mechanisms, which might make sense when based on general research, might not work in a specific context. 'You name the anticorruption reform, the authors point out its severe organizational liabilities' (Silverman 1998: 182). And how do we fill the gap noted by Van Hulten (2002: 182), who said that almost no empirical studies offer conclusions about which anti-corruption methods work under what circumstances? The literature currently offers much confusion. 'The right mix of corruption controls will undoubtedly differ from governmental unit and from agency to agency within the same governmental unit. Moreover, the optimal mix changes over time' (Anechiarico/Jacobs 1996: 198). It is safe to say we know next to nothing about which corruption controls are most efficient under different circumstances. Take, for example, the installment of 'integrity systems' proposed by Transparency International. Is it successful in preventing corruption? Perhaps. Gilman (2000) and Huberts (2000) seem to think so. Others, however (Anechiarico/Jacobs 1996; Brown 1999; Cooper 1998), disagree and would probably maintain that the programs would be ineffective at best.

The diversity of answers given by the authors in this book is a function of the empirical complexity of the phenomenon itself, different research foci, and various epistemological and ontological traditions. It is easy to lament the cacophony of corruption analyses and the non-unitary state of the social and behavioral sciences, but this does not help reduce corruption. We should abandon the idea of a 'scientific law' in the sense of Hempel and Oppenheim (1948: 152), one that has the quality of a 'true statement' and forever determines a 'treatment' for corruption.

We do not, however, propose to give up the effort to seek causal knowledge. Reflective causal knowledge is essential for decision makers to adapt to external challenges, especially to knowledge that indicates manipulable causes. Causality in the behavioral and social sciences also has a temporal dimension, which makes causal explanation highly dependent on context. If we are analytically and practically confronted with such a complex social phenomenon as corruption, and choose to reflect on it, perhaps the most important contribution of this book is to remind us that there *are* different ways of conceptualizing corruption and we have offered different pathways to reflect critically on our own approaches. We should always be aware that the type of analytical lens we choose determines what we will propose to do about corruption. We should avoid dangerous conceptual lock-ins and getting trapped in the Achilles' heel of each strategy. What some might call 'a bewildering cacophony' we see as desirable pluralism enriching the analytical toolbox for phenomena that cannot be ignored, are complex, and deserve complex answers. No more or less, at least for the moment, can we take for given.

What this book clearly shows is that every approach sees different problems with corruption and has different solutions. Relevant contingencies prohibit us from testing what works under what conditions. Finding one clear solution remains an illusion. After reading all the chapters, it becomes clear that the theoretical model chosen to a large degree determines the direction of the proposed solutions (cf. Peters, this volume). Different causal chains, or even ideas about causality, lead to different discourses on corruption prevention and corruption control. The logical consequence of multiple causes can only be multiple answers. But in what combination and what doses? As yet we do not know, and in the end it depends, despite all attempts to reach universal answers, on the single case and tailor-made solutions. What can be said from other fields in which institutional design plays a significant role – for instance, common-pool resource problems (Ostrom/Walker/Gardner 1994) or grid-group concept (Douglas 1970; cf. also Hood 2000) – is that sustainable institutional solutions depend on the combination of different institutional strategies – be they hierarchical, competitive, or trust-based – to overcome each one's inherent vulnerability.

Despite all this, we end with a strategy that might help in fighting corruption. The idea stems from the realization that most research approaches pay little attention to the victims of corruption except in a very general way, e.g., some corruption is related to underdevelopment and poverty, and the poor generally suffer the most. Little research exists on direct victims of specific corrupt relationships. Attention to the third party in a corrupt relationship, the 'end user' of corruption, is largely missing.

Several approaches mention that those involved in corruption deny doing or intending harm. Perpetrators try to avoid the concept of 'corruption' and thus disengage their actions from moral discourse. Part of a strategy to fight corruption is for corruption researchers, whatever their approach, to emphasize and highlight the moral aspects of corruption and corruption cases. Who, in the end, is the victim? What, precisely, is the harm? Identifying the victims and damage gives corruption a face and a voice. And we know from moral theory that victims who can be seen and heard receive attention.